



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

October 6, 2009

CERTIFIED RETURN RECEIPT  
7003 2260 0002 0247 8638

Lon Thomas  
Star Stone Quarries, Inc.  
4040 South 300 West  
Salt Lake City, Utah 84107

Subject: Notice of Cancellation/Termination of Reclamation LOC Number [redacted], Star Stone Quarries, Inc., Lion Heart Quarry, S/003/0033, Box Elder County, Utah

Dear Mr. Thomas:

Please review the enclosed Notice of Non-Renewal notification from Key Bank indicating the referenced letter of credit (LOC) in the amount of \$18,600.00 for the Lion Heart quarry will not be renewed. According to the terms of the LOC, the bank may elect not to renew as long as a ninety-day notice is given to the Division. These terms have been met; therefore, effective January 11, 2010, the LOC will be not be renewed. Paragraph 2 of the Reclamation Contract, states the operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice.

You are hereby advised that the Division must receive a replacement form of surety on or before December 12, 2009, or the Division will be forced to do any/some of the following:

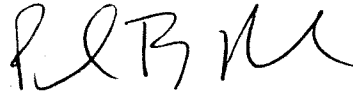
- Carry out the terms of LOC
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit
- Order the cessation of mining operations
- Order immediate reclamation of all lands affected



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S/003/0033  
October 6, 2009

If you have questions or require assistance regarding the surety, please contact Penny Berry (801) 538-5291 or email [bondcoordinator@utah.gov](mailto:bondcoordinator@utah.gov) . Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Baker'.

Paul Baker  
Minerals Program Manager

PBB:pb  
Enclosure: Notice of Non-Renewal  
O:\M003-BoxElder S0030033-Lionheart\draft\bond-cancel-ltr-10072009.doc

A KeyCorp Bank

KEYBANK NATIONAL ASSOCIATION  
STANDBY LETTER OF CREDIT SERVICES  
MAIL CODE: OH-01-51-0435  
4910 TIEDEMAN ROAD  
CLEVELAND, OHIO 44144-2338  
TEL NO: 216-813-3696, -3698, -3702, -3714 or -3715  
FAX NO: 216-813-3719

October 1, 2009

Utah Division of Oil, Gas and Mining (DOGM)  
1594 West North Temple, Ste 1210  
Box 145801  
Salt Lake City, UT 84114-5801

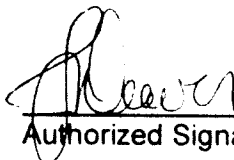
For itself and as agent for:  
The Bureau of Land Management (BLM)  
UTAH STATE OFFICE  
440 West 200 South Suite 500  
Salt Lake City, Utah 84101

\*\*\*\* NOTICE OF NON-RENEWAL \*\*\*\*

Re: Our Standby Letter of Credit No.                      dated January 11, 2007  
Account Party: Star Stone Quarries, Inc.

The above-referenced Letter of Credit was issued with the condition that it be automatically extended without amendment from the present or any future expiration date unless we notify you in accordance with the Letter of Credit terms.

We hereby notify you that we elect not to extend this Letter of Credit for any additional period and therefore, this credit will expire in full with our close of business on January 11, 2010.

  
Authorized Signature

CC: Star Stone Quarries Inc.  
4040 South 300 West  
Salt Lake City, UT 84107

RECEIVED  
OCT 05 2009  
DIV. OF OIL, GAS & MINING